



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 9, 2002

CERTIFIED RETURN RECEIPT

7099 3400 0016 8895 4869

Rick York
Moab Salt LLC
P.O. Box 1208
Moab, Utah 84532

Re: Reclamation Bond Review, Moab Salt LLC, Cane Creek Mine, M/019/005, Grand County, Utah

Dear Mr. York:

On June 12, 2002, the Division received a letter from Williams, Turner & Holmes, PC, in Moab Salt's behalf, noting items discussed during our meeting of May 28, 2002. This meeting was held to discuss the Division's August 14, 2000, estimate of a recalculated and escalated reclamation bond for the Cane Creek Mine.

The focus of the meeting was the post-mine land use of the area and facilities within Cane Creek's mine permit. The letter states that Moab Salt intends to investigate and identify specific post-mining recreational use of the Cane Creek Mine property. While a commitment was made to perform this activity, a timetable for the submittal of this information for our review was not given.

The Division requests that within 15 days or by October 25, 2002, Moab Salt supply a schedule for the submission of this information. These negotiations need to be completed so that we can move forward with the updating of the appropriate reclamation surety amount for the Cane Creek Mine.

If you have any questions in this regard, please call me at (801) 538-5286, or Doug Jensen at (801) 538-5382.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: Robert Jorayvaz, Intrepid Oil & Gas, LLC
O:\M019-Grand\M0190005MoabSalt\final\bnDESCltr.doc